

BOARD OF MAYOR AND ALDERMEN

October 7, 2003

**7:30 PM
Aldermanic Chambers
City Hall (3rd Floor)**

Mayor Baines called the meeting to order.

The Clerk called the roll.

Present: Aldermen Gatsas (late), Guinta (late), Sysyn, Osborne, Pinard, O'Neil, Lopez, Shea, DeVries, Garrity (late), Smith, Thibault and Forest.

Absent: Alderman Wihby

Mayor Baines stated before we get into the agenda, for informational purposes we traveled to New York City on Thursday and Friday with the finance officials to meet with all of the rating agencies once again, both Standard & Poore's and Fitch & Moody's. Despite some of the comments you might have heard earlier this evening during the public session, you need to feel very proud of the way that Manchester is being received on Wall Street. They are extremely impressed with the financial management in the City, the investments that are being made in the City, the economic development that is taking place in the City. They are very impressed with the fact that Manchester has an approximately 3% unemployment rate while the State is well over 4% and the nation is over 6%. We heard consistently that Manchester is one of the few communities in the nation, one of the few communities in the nation with that kind of low unemployment and one of the few communities that is actually growing jobs and also growing in population. Again, they were very impressive meetings that occurred on Wall Street. In fact, Standard & Poore's indicated that they are actually going to feature the City of Manchester in one of their publications because of how we have weathered this national economy. Again, they were very impressed with the economic development and the fact that vital City services like police officers, firefighters, teachers and health professionals have not been subjected to what has been incurring across the nation so it is a very proud story that is being told about Manchester on Wall Street and again that is a good independent evaluation of what is taking place in the City and it is also reflective of a lot of years of good policies that have been put in place by the Board of Mayor and Aldermen, the Mayors and our seasoned financial staff as they describe them on Wall Street and the fact that we have the professionalism that Manchester is known for. Again, those indications and those reports that we have received were very positive about our City. Secondly, those of you who...I know a couple of the Alderman did come to the Economic Summit that took place at St. Anselm's College last week. I want to publicly thank BankNorth, which is the umbrella bank for Bank of NH who invested a considerable amount of their resources in talking about Manchester's economic future. Again, if you attended that when the President of BankNorth got up and summarized...made very clear that Manchester

is the envy of cities all over New England. He said cities all over New England are looking to Manchester and what is happening. I won't use his exact words but he made it very clear that the best thing Manchester can do is make sure it is not messed up. That we continue to focus on what we are doing in the City of Manchester because it is being noted all over New England. The investment that is occurring and the financial management that is occurring and it is something that we should be very proud of. I want to thank everyone involved in organizing the summit – all of the participants who really told a story of Manchester that all of us should be very proud of. I do have a couple of acknowledgements. Each year my office sponsors as part of Breast Cancer Awareness Month an informational health fair at the Mall of New Hampshire. This year's event will take place on Saturday from 11 AM until 3 PM at the Mall of New Hampshire at Center Court near the Disney Store. A number of healthcare professionals and organizations will be represented and distributing information and I will officially present this proclamation, which I will read to you now. I have a particular interest in this issue of breast cancer awareness. I have a number of...my mother was a breast cancer survivor, my aunt, my sister, Shirley is also a breast cancer survivor and by the way had a slight glitch occur last week and her checkup today proved that she is still 100% clear of cancer so I am very pleased about that tonight because that could have been different news today. I would like to read this Proclamation:

“Whereas October 2003 is National Breast Cancer Awareness Month; and

Whereas October 17, 2003 is National Mammography Day; and

Whereas over 200,000 new cases of female breast cancer will be diagnosed in 2003 and close to 40,000 will die from the disease; and

Whereas almost 1,500 new cases of male breast cancer will be diagnosed in 2003 and 200 will die of the disease; and

Whereas early detection and prompt treatment can significantly reduce suffering and deaths caused by this disease; and

Whereas mammography and x-ray of the breast is recognized as the single most effective method of detecting breast changes that maybe cancer long before physical systems can be felt;

I, Robert A. Baines, by virtue of the authority vested in me as Mayor of the City of Manchester in the State of New Hampshire, do hereby proclaim the month of October 2003 as National Breast Cancer Awareness Month and October 17th as National Mammography Day in the City of Manchester.”

I urge all of the citizens of our City to be very diligent in terms of screenings for breast cancer. This is an opportunity to become more aware of what is happening and it is the type of decision that you can make that actually saves lives and when you save lives you also save families because you protect families from the devastation of losing a loved one from a disease that is preventable if we have early detection. I am very honored to be in a position in recognition of what my family has been through to urge the citizens of Manchester to participate in National Breast Cancer Awareness Month. I am also pleased...I have another proclamation and I am a little disappointed because we did invite the Babe Ruth Team to be

with us this evening and I don't believe there are any representatives here this evening but I do want to read this Proclamation:

“Whereas Manchester is extremely proud of the members of the Babe Ruth Team; and

Whereas the record that the team compiled this season is a source of pride not just for its members and their families but also for the entire family; and

Whereas the hard work and determination that these young men demonstrated to make it to post season play are an inspiration for their peers and an example for the community at large; and

Whereas the skills and teamwork and sportsmanship that they learned this year will serve them well in the years ahead on an off the playing field; and

Whereas all Manchester citizens are proud of their accomplishments this year;

I, Robert A. Baines, by virtue of the authority vested in me as Mayor of the City of Manchester in the State of New Hampshire, do hereby proclaim today to be Babe Ruth Day in the City of Manchester and offer our congratulations to this magnificent team and their coaches for representing our City so well.”

Presentation by Gary Simmons, Deputy Chief of Police, on the City's participation in the annual United Way campaign.

Deputy Chief Simmons stated I am this year's citywide coordinator for the Heritage United Way Campaign. This year's campaign started already and I, along with Darlene Sedaquist, who is the loaned executive to the City, as well as individuals from each department, will coordinate the contributions from each employee for this year's campaign. City employees have been very generous to this campaign in the past and for very good reasons. Without getting into numerous branches that the United Way reaches out to, just an example of how Manchester is affected alone I would like to give you. In 2002, over 93,000 people accessed the services of agencies sponsored by Heritage United Way. Of that, 38,000 were for community enhancement, such as the American Red Cross, Info Bank, Salvation Army and similar agencies. 25,000 were for emergency services alone, such as Red Cross, Helping Hands, the Samaritans and YWCA and over 11,000 for health such as Child Health Services, Mental Health, and the Farnum Center to name just a few of those agencies. This year the Heritage United Way has asked for a 15% increase over last year's collection. In today's economy you look at that and think 15% is a lot and ask if that is a goal that is not attainable. So we sat down and we broke that down a little bit. City wide this year that would be an increase over last year's goal of \$5,000 and some changes. So what that means is if we could get 98 employees city wide to donate \$1 a year more than what we did last year we would have obtained a 15% increase. In the Police Station alone, if I can get four more employees to donate \$1 a week over what we had last year that will be our 15% increase. What is exciting is several departments have already finished their campaign and many of them have obtained their 15% goal of came very close to it so we are certainly heading in the right direction. What I would ask that the Board and the Mayor do is collectively support the

City and its employees in this year's campaign to make the Heritage United Way a success. If any of you wish to make an individual contribution, you can see Dave Scannell of the Mayor's Office who is their coordinator or better yet you can see me to help me make by 15% goal. I thank you very much for your time and your support on this.

Mayor Baines stated we don't need a motion on this. Obviously we wanted Deputy Chief Simmons to bring publicity to the campaign. We know that we have the support of the Mayor and Aldermen on this and I thank Gary for volunteering for this project.

Presentation by John Wood regarding the Valley Cemetery.

Mr. John Wood stated I am the Chairman of the Friends of Valley Cemetery. I am here tonight to present a booklet to the Alderman. The Mayor received his at our annual meeting back in September. We had a booklet printed thanks to a grant from the National Foundation for Historic Preservation and the idea of the booklet is to get more information out around the City about the Valley Cemetery. In the past and I think Ron Ludwig and Ron Johnson would say this, the policy of the Parks, Recreation & Cemetery Department was really not to encourage people to go into the cemeteries. I think this is changing, especially here at the Valley Cemetery. We want people in the cemetery and this booklet will give you some information on people buried at the cemetery and encourage people to come in and see the cemetery. We are having a tour tomorrow morning at 10 AM. If any of you would like to come and join our tour I hope you would. I thank you for the opportunity to come here tonight.

Mayor Baines stated I would also like to publicly thank John and everybody involved in this project. This has been a very dedicated group of people and they have had a lot of challenges and obstacles and there are still many ahead but if you think about what their vision is, which is really to respect the history of the City by restoring that cemetery and making it a place where people can go in and really reflect on people who built the City of Manchester. I commend you for your efforts and look forward to working with you on the completion of that project. I would like to now introduce Brent Lemire, Chairman of the Quality Council, regarding the Bright Ideas Program.

Presentation by Brent Lemire, Chairman of the Quality Council, regarding the "Bright Ideas" program.

Mr. Brent Lemire stated Ginny and I are here with good news. I am the Chairman of the Quality Council. We have been quiet lately but I need to assure you that we have been meeting to discuss the quality of service that the employees of the City provide the citizens of Manchester. It is a very unique group of people made up of Aldermen, representatives of the Mayor's Office, department heads – affiliated and non-affiliated, and I have had the privilege of being associated with them since its inception. Over the past couple of years,

with your support, we have been working on a program that we have titled the “Bright Ideas” program and Ms. Lamberton has been able to provide invaluable assistance in us formulating this plan. The purpose of the program is to improve the efficiency and reduce the cost of City government, reward employees who assist in this reduction and to recognize employees for extraordinary services in the interest of the City. We are only here to basically tell you that the program has begun. I believe there will be a handout for you on the rules and regulations and the program description. If you have any questions, you can address them either to myself or Ms. Lamberton later. We are here simply to inform you that the program has been kicked off and we have a couple of...I just want to show you a sample of the poster and I thank the Planning & Community Development Department, specifically Mena. This is the poster that is going to go to each department and be available to each City employee that will describe where to get information on the program. Personally I just need to add that I again have had the privilege to belong to this Committee and I need to tell you that you have some of the finest employees you ever could hope to have in this City and I have had the privilege of knowing and meeting them. Thank you for your support.

CONSENT AGENDA

Mayor Baines advises if you desire to remove any of the following items from the Consent Agenda, please so indicate. If none of the items are to be removed, one motion only will be taken at the conclusion of the presentation.

Minutes Accepted

- A. Minutes of meetings held June 2, 2003, and June 3, 2003 (two meetings).

Ratify and Confirm Polls Conducted

- B. Unanimously authorizing the Police Department to proceed with replacement of a damaged cruiser with the understanding that up to \$3,600.00 will be transferred from the completed MTA Roof Replacement Project to accommodate the replacement.
- C. Unanimously authorizing the Fire Department to declare a booster pump received on the rescue/hazardous materials response truck surplus, and trade it in for a high-pressure air distribution system for Rescue 1.
- D. Unanimously confirming the Board’s intention to appropriate \$9,342 in funding from the Housing Trust Fund to New Horizons to rectify code and life safety issues in order that New Horizons may proceed with arranging for the corrections with the intention of receiving funds from the City.

Approve Under Supervision of the Department of Highways

- E. Pole License Petitions:
 - 1) Verizon New England Pole Petition for conduit and buried cable on Elm East Back Street.
 - 2) Verizon New England Pole Petition for conduit and buried cable on Broadhead Avenue.
 - 3) Verizon New England Pole Petition for a new pole on Old Hackett Road.

Informational – to be Received and Filed

- F.** Communication from Kevin Dillon, Airport Director, informing the Board of Mayor and Aldermen that he has executed a 25-year ground lease with the government to provide the land necessary for the FAA to construct a replacement control tower with a scheduled completion in December 2005.
- I.** Communication from the Manchester Transit Authority submitting minutes of the July 29th Commission meeting as well as Financial and Ridership Reports for the month of July 2003.
- J.** Communication from the New Hampshire Department of Environmental Services advising of the completion of the review process for the Sludge Facility permit application submitted by the Manchester Water Works.
- K.** Communications from the New Hampshire Department of Transportation submitting contemplated awards.
- M.** Minutes of the September 4th meeting of the Piscataquog River Local Advisory Committee.

Accept Funds and Remand for the Purpose Intended

- O.** Communication from Frank Thomas, Public Works Director, requesting authorization to accept a contribution of \$12,000 from Construction Planning & Management, Inc. for the resurfacing of West Clarke Street and West River Drive.

REFERRALS TO COMMITTEE

COMMITTEE ON FINANCE

- P.** Bond Resolutions:

“Amending a Resolution of the Board of Mayor and Aldermen Passed to be Enrolled on June 1, 1999, Which Resolution Authorized the Issuance of Bonds in the Amount of Twenty Million Dollars (\$20,000,000) for Refunding Certain Outstanding Bonds of the City.”

“Amending a Resolution of the Board of Mayor and Aldermen Passed to be Enrolled on September 24, 2001, Which Resolution Authorized the Issuance of Bonds in the Amount of Thirty-Five Million Dollars (\$35,000,000) for Refunding Certain Outstanding Bonds of the City.”

- Q.** Resolution:

“Amending the FY2000, 2003, and 2004 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Twelve Thousand Nine Hundred Forty Two Dollars (\$12,942) for certain CIP Projects.”

REPORTS OF COMMITTEES

COMMITTEE ON COMMUNITY IMPROVEMENT

- T.** Advising that it has referred a proposal from the Public Works Department regarding a new Facilities Division to the Human Resources and Insurance Committee.

COMMITTEE ON JOINT SCHOOL BUILDINGS

- U.** Advising that they have adopted a change order policy for school construction.

COMMITTEE ON TRAFFIC/PUBLIC SAFETY

- X.** Recommending that regulations governing standing, stopping, parking and operations of vehicles be adopted and put into effect when duly advertised and posted.

HAVING READ THE CONSENT AGENDA, ON MOTION OF ALDERMAN O'NEIL, DULY SECONDED BY ALDERMAN SMITH, IT WAS VOTED THAT THE CONSENT AGENDA BE APPROVED.

- G.** Budget Adjustment Request Form reflecting approval by Mayor to transfer funds from Salary line item to rental and electricity line items to accommodate needs of the Office of Youth Services for the EAP program.

Alderman Shea stated I wonder not so much from the point of view of the budget adjustment request but I just wondered when will the Office of Youth Services move to the Rines Center. I am not sure if that has been clarified.

Mr. Robert MacKenzie responded I believe the substantial completion date is expected to be the last week of November so they would be available to move in very shortly after that.

Alderman Shea asked so this particular adjustment, your Honor, will take care of that item.

Mayor Baines answered yes.

On motion of Alderman Shea, duly seconded by Alderman O'Neil, it was voted to receive and file this item.

- H.** Response from Sheriff James Hardy regarding emergency communications that the Office of the Hillsborough County Sheriff provides to a number of towns in Hillsborough County and the associated expenses of those services.

Alderman Shea stated I was the one who brought up this particular matter. It had to do with Sheriff James Hardy regarding emergency communication and I wonder do we or have we ever used emergency communication services from the Hillsborough Sheriff's Department?

Chief Kane responded I do not believe that we have ever used them. On occasion we work in concert with them and they use their own communications and we use our own.

On motion of Alderman Shea, duly seconded by Alderman Lopez, it was voted to receive and file the communication.

L. Communication from Toni H. Pappas, District 1 Clerk, regarding the 2003 Hillsborough County tax apportionment for the City of Manchester.

Alderman Shea stated this is directed, I believe, to the Finance Officer. The extra \$300,000, Randy, I am assuming in talking to one of the Alderman here that that was anticipated in our budgetary preparation. Am I correct in that statement?

Mr. Randy Sherman responded yes. We did it on a percentage so I think we actually had a little more than \$300,000 but yes we already have this anticipated.

On motion of Alderman Shea, duly seconded by Alderman Sysyn, it was voted to receive and file.

N. Communication from Mark Cardin suggesting that the comfort station at Veteran's Common be open from 6 AM to 6 PM or 8 AM to 6 PM.

Alderman Osborne asked can we get the present status now of the comfort stations. What is the status of the hours, manning and maintenance? How is this going right now?

Mayor Baines replied I don't have the answer to that. Is there anyone here from Parks & Recreation?

Alderman Sysyn stated I think it run by volunteers and when the visitor center is open it is open but when they are not there it is not.

Alderman Lopez stated Intown is working on that with the Granite State Ambassadors. They run the comfort station on a daily basis during their hours of operation. It has been renovated and I believe there was just a ceremony a couple of weeks ago. Parks & Recreation really doesn't have anything to do with it. To open it up from 6AM until nighttime I don't know what that is going to accomplish.

Mayor Baines stated there wouldn't be anybody there to supervise the facility. I would suggest that if there is some concern about this that it be taken up in a Committee. What Committee would that be?

Deputy Clerk Johnson responded Lands & Buildings.

Alderman Lopez moved to refer this issue to the Committee on Lands & Buildings.

Alderman Shea duly seconded the motion.

Alderman Guinta asked is it Intown Manchester or the Chamber of Commerce that runs it.

Alderman Lopez replied it is Intown and the Chamber of Commerce.

Alderman Guinta asked would it be easier to just solicit a response from those two organizations before it goes to Committee.

Mayor Baines stated yes we could do that.

Alderman Lopez stated I withdraw my request. We could have the Mayor's Office get a response.

On motion of Alderman Shea, duly seconded by Alderman Lopez, it was voted to receive and file this item.

R. Communication from Thomas Bowen, Manchester Water Works, requesting approval of a Resolution to withdraw Manchester Water Works funds currently under the Trustee of Trust Fund (Capital Reserve Fund) and place such funds toward the establishment of a \$500,000 Revenue Stabilization Fund.

Alderman Gatsas stated looking at this reserve account and I know that in the past when I was a water commissioner that the purpose of that account was always deemed that it was emergency purposes. That if for some reason we had an emergency there were funds available to take care of that emergency. Now we're depleting that emergency account and moving it to a reserve account and I guess my question is why are we doing that?

Water Works Director Thomas Bowen answered the account has been in place for a great number of years and it preceded the current revenue bond sale that the Water Works just went through this past spring. In conjunction with the revenue bond sale there were a number of requirements including the establishment of some reserve funds and those reserve funds kind of supercede the need for this account. There are capital reserve funds, there are rate stabilization funds, I think there are four in all. So what we're looking to do is basically rearrange the funds so we have better access to the money, actually the funds that will be

established will be greater than we have right now. So we're not depleting it, we're actually adding to it.

Alderman Gatsas asked is it my understanding that that fund under the jurisdiction of this Board could be transferred to the City?

Mr. Bowen answered I'm not attorney but my answer would be no. Those are Water Works funds, there are RSAs and so forth and I don't have them, I can't quote from them, but it's my understanding that the RSAs are such that funds derived from the Water Works are to stay within the confines of the Water Works.

Alderman Gatsas asked can I ask the City Solicitor to take a look at these RSAs because I believe...

Mayor Baines stated you can ask the Mayor if you could do that and the Mayor would say yes.

Alderman Gatsas asked Mayor can I ask the City Solicitor?

Mayor Baines replied yes.

Alderman Gatsas asked I think if there's an opportunity and maybe we can just put this on the table for now and get an answer later so he can look at it...

Mayor Baines asked why wouldn't we want to keep the money within the Water Works purview? Why would you want to take it out of there?

Alderman Gatsas answered there's no reason why we wouldn't but I think that if we transfer it out of this fund and put it into a capital reserve fund, that does not allow the City if we had an emergency here to get to it.

Mayor Baines stated I wanted the Finance Office Deputy to comment on this.

Mr. Sherman stated my understanding is these were funds generated through the Water Department and my understanding is over the time that we've had numerous discussions on actually what the Water Department is and how it relates to the City, but those funds I believe need to remain segregated and clearly they are Water's funds and would have to be returned to Water if we closed out that account.

Mayor Baines stated that would my opinion and my recommendation too.

City Solicitor Tom Clark stated, Your Honor, that's the understanding of the statutes but it's going to take more than a little time to go back because you can't just look at RSA 35. You're going to have to compare with all of the other statutes.

Mayor Baines stated the Board can do what it wants, why you would even contemplate doing that, it stays within the Water entity which is a very well run entity with very reasonable rates and why wouldn't we want this money to go there? I just don't know why you'd even want to study for it to go any place but that's my own opinion.

Alderman Shea stated, Your Honor, if this is an RSA and we are going to be going against it, obviously it would make more sense in my judgement to make sure we clarify this issue before we make a decision. At least I'm speaking for myself personally. I don't think that there's any need for expediency, I think that we should do it the right way. So often we make decisions predicated upon rash decisions and then we find out that we've broken some kind of an RSA, so...

Mayor Baines stated I don't have any problem with that but I don't think there's any question of what is being asked to be done here is in compliance. The issue is can you do something different than this, whether that would be allowed by the RSA. Am I correct?

Mr. Clark replied that's my understanding.

Mayor Baines stated so the question is not whether this procedure is definitely not any problem with us doing this. The question would be could the City do something different with that money. That would be something that he'd have to deal with the RSA, so that's up to the Board.

Alderman Guinta asked Tom how much money is in the fund right now?

Mr. Bowen replied just under \$400,000.

Alderman Guinta asked and you'd like to establish a fund, a revenue stabilization fund in the amount of \$500,000?

Mr. Bowen answered yes.

Alderman Guinta stated at the meeting August 27th was the primary discussion that the current fund is no longer necessary or that there was a need or concern that revenues may need to be stabilized in the future or a combination of both?

Mr. Bowen answered actually both. When the feasibility study was done in conjunction with the revenue bond sale, the consultant looked at all of the availability's of cash and it his

recommendation that those funds be utilized because they had been set aside and because we were also in addition to that going to be establishing an additional capital reserve fund aside from the one that had been established under the Trustees of the Trust Funds, that those monies were no longer needed and could be better utilized towards the establishment of this rainy day fund. Now actually the stabilization fund was fully funded at the closure with other cash that the Water Works had. So what we want to do is, basically we want to replenish our own cash that we had that will help us to meet the short-term expenses.

Alderman Guinta stated I want to make sure I understand that statement. The revenue stabilization fund is already in existence?

Mr. Bowen answered yes. It was funded...this whole process started back in March sometimes the cart is actually before the horse in some cases. What we wanted to do was we wanted to utilize this money to fund this rate stabilization fund so we would have additional cash to meet our short-term requirements. Typically our larger capital expenditures are early in the year. In the March, April, May, June time period as the construction season is starting, as we're buying materials. Our largest revenues are in the time period of September, October and November as the summer consumption bills are coming in. So we typically have a period of time each year when we're short of cash, so the feasibility study looked at all of those factors and said you'd be best to take those funds, use your cash to meet your day to day expenses and your future short term cash needs and take the rainy day fund so called that we had and put it towards that stabilization fund. The stabilization fund by the covenants of the bond sale had to be funded at the closing of the bond sale. So we used other cash that we had...

Alderman Guinta interjected so you had other cash, that's created and essentially this money is going to go back to replenish the cash.

Mr. Bowen answered that's correct.

Alderman Guinta asked what's the difference between a rate stabilization fund and a revenue stabilization fund?

Mr. Bowen answered they are one and the same.

Alderman Guinta asked aren't there two different funds?

Mr. Bowen answered the actual funds that were established...

Mr. Sherman added there's only one.

Alderman Guinta asked there's only one?

Mr. Sherman replied yes.

Deputy Finance Officer Joanne Shaffer stated it is only one fund and it is \$500,000 and it was funded at the closing of the bond sale. In addition to that there's an O&M fund in excess of \$1.2 million, which basically will cover two months of the Water Works operations.

Alderman Guinta asked which fund is in excess of \$1.2 [million]?

Ms. Shaffer answered an O&M fund; operation and maintenance.

Alderman Guinta asked is that the fund...?

Mr. Shaffer replied no. You think that there's both a rainy day and a revenue stabilization. There is only a revenue stabilization fund as we call it and that's in the event that...

Alderman Guinta asked and there's no rate stabilization fund?

Ms. Shaffer answered no.

Alderman Guinta stated Tom I thought you referenced a rate stabilization fund during your comments.

Mr. Bowen stated basically what that is going to be for is in the event that on any given year we have a very wet summer and it will allow us to dip into that account without the need of having an immediate rate increase. Then at the end of that year we'll have to analyze our cash position and see whether or not a rate increase would be required going forward.

Alderman Guinta asked how much was the last rate increase?

Mr. Bowen answered 13.5 percent.

Alderman Guinta asked when did that occur?

Mr. Bowen answered July 1st.

Alderman Guinta asked it was for Manchester or for everyone?

Mr. Bowen answered for everyone.

Alderman Guinta asked before that, when was the last rate increase?

Mr. Bowen answered 1990.

Alderman Guinta stated so from 1990 to 2003 there was no rate increase, but you're thinking that there's a need now to create this fund in case in the next year or so we're going to all of a sudden have a need for it? I mean we didn't have the need for thirteen years.

Mr. Bowen interjected we also didn't have a revenue bond sale that has some significant covenants that go along with it. The Water Works had previously done bonding through the City's GO...

Mayor Baines interjected the first ever revenue bond for the Water Works.

Alderman Guinta asked and one of the covenants requires...

Mr. Bowen stated the establishment of the reserves, yes.

Deputy Finance Officer Randy Sherman stated let's back up a little bit and walk through this. We have taken the water bonds and taken them out of the GO realm and pushed them on to their own revenue structure as a security. The taxpayer is not responsible for these bonds, as they always have been in the past. If the Water Department had ever come up short of their own revenues, they were general obligations of the City and the City would have had to appropriate the funds to cover those bonds. Now they are strictly on the revenues of the Water, just like the Airport's are strictly on the Airport's revenues. By doing that, there's certain requirements that the bondholders now put in place to accept that provision. They've required that there be a debt service reserve fund so in case again there's a shortage they can pull off the reserve. They require that there be a two-month reserve set up for operations and maintenance or management costs in case again there is a revenue shortfall. They've also required that this rate stabilization or revenue stabilization, whatever term you want to use on it, be there again in case we run into a rainy period and the revenues fall off. There's a number of provisions that they've put in place. They also require that on an annual basis the Water Department generate more than 100 percent of the revenues that are required to go towards debt service. So there's always coverage in there and Tom Arnold do you have that number? Was it like \$1.3 [million]? Okay, \$1.2 [million]. Now what we set up is if every time we have debt service we actually generate an extra 20 percent coverage on that. That 20 percent rolls into a capital reserve fund at the end of the day and that's why Tom's here in front of you today saying I don't need the capital reserve fund that we have set up at the Trust, because now I have one set up internally that gets funded every year from this coverage that is generated.

Mayor Baines asked so the Finance Department is recommending the establishment of this fund? You support this recommendation?

Mr. Sherman answered yes we do.

Alderman Guinta stated two questions Randy. The establishment of the fund, how much is required?

Mr. Sherman asked which fund?

Alderman Guinta stated the revenue stabilization fund?

Mr. Sherman answered it was a half a million dollars.

Alderman Guinta asked and then secondly, does the Water Works have their own bond rating?

Mr. Sherman answered yes.

Alderman Guinta asked what is it?

Mr. Sherman answered they've got two double A pluses and a double A 2. The same rate as the City did on its GOs.

Alderman Guinta asked so at that high of a bond rating all of these covenants are still required?

Mr. Sherman answered that was one of the reasons they got as high a rating as they did because they had the ability to put that in.

Alderman Guinta asked when did the bond rating come in? It came in after the revenue bond was issued?

Mr. Sherman replied it comes in just prior to the issuance. You have a rating in place before you sell the bonds. That was July.

Alderman DeVries stated question for you Tom Bowen. If this is passed along to the ratepayers through revenue stabilization, that is not only for the citizens in Manchester but also for the surrounding towns where they are utilizing water? So you would be reducing their rates in any given year when you do administer the revenue stabilization?

Mr. Bowen answered utilization of that fund would be from wherever we need to and it would assume that our revenues would be down across the board and we would need to utilize those funds.

Alderman DeVries asked it would benefit not just City of Manchester but surrounding communities as well?

Mr. Bowen answered that's right.

Alderman DeVries stated I think given that fact, I think we should continue to look at Alderman Gatsas' suggestion that we look at a way possibly to incorporate this on something that would benefit strictly the City of Manchester, if at all possible. And I would agree that we should table this and continue to look at the RSA and see how it might be utilized.

Mr. Bowen stated if I may, this is not improvements to the system. It's to pay operating expenses in any given year that we might need it.

Mayor Baines stated that has nothing to do with the sending towns, it's to pay the operating expenses...

Alderman DeVries interjected it would offset an increase in the rates to not just the City of Manchester but to the sending towns as well, where if somehow it was sent over to as Alderman Gatsas had suggested to the City side, it would be to the pure benefit for the citizens of Manchester, so that revenue stabilization or whatever on this side.

Mayor Baines stated that's no true from my understanding of it.

Mr. Bowen stated my personal opinion and Tom Clark will have to take a look at it but the funds that are derived from the Water Works by law are supposed to stay within the Water Works.

Mayor Baines stated I think you should be adopting this thing. We agreed to this in the covenant that was signed for our bond rating, it's been recommended by the Water Works and the Finance office, but we are not going to have the answers to these questions tonight, so I would suggest you table it and get more information and deal with it at the next meeting. I entertain a motion to table.

Alderman DeVries moved to table this item. Alderman Guinta duly seconded the motion. A roll call vote was taken.. Aldermen Shea, DeVries, Garrity, Gatsas, Guinta and Sysyn voted yea. Aldermen O'Neil, Lopez, Smith, Thibault, Forest, Osborne and Pinard voted nay. Alderman Wihby was absent. The motion failed.

Alderman Lopez stated I think the Finance Officer answered basic my questions, but the way I understood, and the reason I voted no at this time. If it's not going to make any particular difference while is Tom Clark reviewing the RSA, unless you're indicating going to the

stabilization fund minus the capital improvement fund, so maybe you could clarify that one more time Alderman Gatsas. What you indicated to Tom Clark because I don't think it has any particular...on this particular issue whether we pass this tonight or not. If Tom Clark can still review the RSAs, unless you're saying because its in the capital improvement fund and if we go ahead and put it in the stabilization account then the RSA would not apply. Is that what you're indicating?

Alderman Gatsas asked I have my personal privilege now? I would have appreciated it before the vote because with what I said maybe I'll ask for another tabling motion. Alderman Lopez, that's exactly what I'm saying. I believe that the account that it's in right now, based on the RSAs has different purviews than the stabilization account they're talking about. So I want the City Solicitor to examine those purviews to come back to this Board and tell us what we're doing. Now, obviously the bond rating was as high as it was because there was legislation that was passed that allowed the Water Works to increase rate without having to go to the PUC. Instead of the time frame that the Water Works would have needed to control their bond rating situation and their revenue, where they would have had to gone through PUC hearings, they can now adjust them as long as they are within 15 percent of the legislation that we passed last year in Concord. Is that correct Mr. Bowen?

Mr. Bowen answered yes it is.

Alderman Gatsas stated so with that, Your Honor, I'd like to make another motion to table.

Alderman O'Neil stated I think what we're all failing to miss here...I think Tom mentioned that there hadn't been a rate increase in 12 or 13 years. Is that correct Tom?

Mr. Bowen answered yes, since 1990.

Alderman O'Neil stated this all has to do with a \$38 million, maybe it's less than that Tom. Give me the correct number for the plant improvements.

Mr. Bowen replied a \$30 million project.

Alderman O'Neil stated \$30 million plan improvement to maintain the high quality of water that we've enjoyed, not only the 13 years where there was not rate increase, but previous to that. The plant goes back to early 1970s probably. The plant is tired. For the most part almost getting a brand new water treatment plant, to the best of my knowledge. That's what this is all about. This is about water quality and continuing to provide high water quality to the citizens of the City of Manchester and the surrounding areas. Plan and simple. It's part of doing business; we need to do this.

Alderman Thibault asked Tom just one thing I want to clarify for myself. Don't the surrounding towns that we provide water to pay a higher rate than we do?

Mr. Bowen answered yes they do.

Alderman Thibault asked can you elaborate on that a little bit so that the people here will understand that it's not just the City taxpayers that are going to be paying this, but also the surrounding towns, which are paying at a higher rate than we are.

Mr. Bowen responded prior to our last water rate increase, the differential between the in-town rates and the out of town rates was approximately 12 percent. So someone out of town was paying about 12 percent higher for water than an in-town customer. As Alderman Gatsas mentioned there was legislation two years ago I believe, which allowed us to seek an exemption from the Public Utilities Commission so that we don't have to go before them to seek rate increases out of town any longer and that is allowed as long as we maintain less than a 15 percent differential. So when we increased rates July 1st it was with the idea that over the course of the next three years as we ratchet up out in-town rates, we are going to widen that gap between the in-town rates and the out of town so that at the end of the three year period we will be at that 15 percent differential. So the out of town customers are going to be picking up a greater share of the cost of the water system over the course of the next three years.

Alderman Thibault asked Tom isn't that all part of your restructuring of this plant now that you're spending \$30 million like Alderman O'Neil is saying? This is all figured in to your plan of restructuring this plant, right?

Mr. Bowen answered yes; it was part of the financial plan that we presented during the feasibility study and the bond sale.

Alderman Guinta asked Tom rates are going to increase for both City and non-City users? Correct?

Mr. Bowen answered absolutely.

Alderman Guinta stated they're just going to increase...the City rate is going to increase less.

Mr. Bowen responded yes.

Alderman Guinta stated so we can expect the rate increase that we had this summer but then two more right? Over the next two years?

Mr. Bowen answered yes.

Alderman Guinta stated secondly, I think the issue before us is not about improvements to the plan, I think it's about the best use of funds that have been identified. I recognize the covenant aspect of the revenue bond but I think what we want to see, and I'm very much in favor of waiting to vote on this issue until we have an appropriate response from the Solicitor's office to Alderman Gatsas' question. Which is valid question. I'm not opposed to the improvements that need to be made, I don't think anyone's opposed to the improvements, we all supported that project. I think what we want to do is be clear before we vote, what we're voting on.

Alderman Guinta duly seconded the motion to table.

Alderman Lopez asked what's the urgency to do this? If the City Solicitor is going to review it as a legal question to guide us, and then if he is in favor of the Aldermen who feel that this fund could be utilized for the City, to benefit the City, then you can go into discussion afterwards. I'm surprised you had these discussions and the City Solicitor wasn't involved in the process. I don't think he was, or was he? Was the City Solicitor involved?

Mr. Bowen answered these are Water Works funds and what we're asking to do is to transfer Water Works funds from one account to another account. That's basically what we're asking.

Alderman Lopez stated you're asking for that, which is our approval.

Mr. Bowen answered right. They are in with the Trustee of the Trust Fund account.

Alderman Lopez stated the question to you, is there an urgent thing to do right now?

Deputy Finance Officer Joanne Shaffer stated I think the reason that we were trying to present it at this meeting is because we needed Board of Mayor and Aldermen approval prior to going to the Trustees of Trust Funds.

Alderman Lopez asked so if we wait until the 21st of this month, it's not going to change anything?

Ms. Shaffer replied the Trustees of Trust Funds only meet on a quarterly basis and they're meeting is scheduled October 22nd.

Alderman Lopez stated my question to you, if we wait until the 21st to get the answer back from the City Solicitor, is not going to affect anything?

Ms. Shaffer answered no. There will just be a delay if you vote to dissolve the funds; there will be a four-month delay.

Alderman Lopez stated I think it's important to get the legal question out of the way first.

Alderman Shea stated I think that all of us, and I reiterate, we can beat this to death obviously. Most of us are just of the opinion that we don't want to do anything that's against any kind of ruling that has been preceding what ever we're going to do. Because sometimes we find that we've done things here and we have undo them because we don't really have the legal basis for which we make our judgements, and that's all I think anyone is looking for. We're not throwing any smoke screens into your process here, or whatever the term might be, we're not looking for a smoking gun, all we're looking for is to clarify a legal interpretation of a particular RSA. That's all.

Alderman Shea asked clarification, Your Honor. That's to get a legal opinion?

Mayor Baines replied that's correct.

A roll call vote was taken. Aldermen O'Neil, Smith, Thibault and Forest voted nay.

Alderman Wihby was absent. Aldermen Lopez, Shea, DeVries, Garrity, Gatsas, Guinta, Sysyn, Osborne and Pinard voted yea. The motion carried.

City Solicitor Tom Clark asked could I just get a clarification of exactly what they want from my office. To review the Statutes to see if there are other purposes you could use this money for?

Alderman Gatsas answered that is correct.

Deputy Clerk Johnson asked can I just clarify for the record because based on the discussion that was here this evening it was my understanding that the request actually is to authorize the Trustees to dissolve the capital reserve fund and authorize transfer of any balance in the fund towards the Manchester Water Works operations because the stabilization fund has already been established and funded. I guess if you are asking Tom to do legal research you should be understanding what it is that he is being asked to do.

Mayor Baines responded he said he is all set.

Report of the Committee on Community Improvement:

S. Advising that it has reviewed Ordinances:

“Amend Chapter 91 of the Code of Ordinances of the City of Manchester by requiring the owners of Multi-Family dwellings to provide “Toters” for rubbish and garbage collection and storage.”

“Amend Chapter 150 of the Code of Ordinances of the City of Manchester by requiring the owners of Multi-Family dwellings to provide “Toters” for rubbish and garbage collection and storage.”

and recommends same be referred to the Committee on Bills on Second Reading for technical review.

Alderman Sysyn stated first I want to commend Alderman Osborne for bringing this ordinance to fruition or whoever got it together. I think it will help clean up a lot of the trash around the multi-family units in the City. I have a question if a building is three apartments and is owner occupied. Are they forced to buy the toters because if it is owner occupied they usually keep it up pretty well? A few people asked me that question.

Solicitor Clark responded my understanding is three or more families whether it is owner occupied or not. I believe this is for referral to Bills on Second Reading. We would be happy to address it there.

Alderman Forest asked I know we have something coming up later regarding a solid waste committee. Can this issue be referred to them?

Alderman O'Neil stated they are really two separate issues. The Committee that is going to be asked to be set up is to more look at the big picture of disposal of solid waste in the City, recycling initiatives...kind of a little different issue than trying to address the multi-tenement buildings and garbage in the City. I would recommend that it continues to move forward to the Committee on Bills on Second Reading.

On motion of Alderman Sysyn, duly seconded by Alderman Smith, it was voted to accept, receive and adopt the report.

Report of Committee on Lands and Buildings

- V. Recommending that the City send out a Request for Proposals for disposition of the Canal Street parking garage with the minimum bid to be set at \$3,000,000.00.

Alderman Thibault stated I would like the City Clerk to advise the Board of Mayor and Aldermen as to exactly what this is all about.

Deputy Clerk Johnson responded it is a report of the Committee on Lands and Buildings. Lands and Buildings did meet this evening. My understanding is that there is a desire to have a motion to replace this report with the majority report of the Committee on Lands and Buildings that has been passed out to the Board and to accept the report.

Alderman Thibault moved to replace this report with a majority report of the Committee on Lands and Buildings which read as follows:

Report of Committee on Lands and Buildings recommending that City staff (City Solicitor, City Finance Officer, Destination Manchester coordinator, MEDO, Traffic Director) be authorized to negotiate with Hampshire Plaza, LLC and its representatives for and on the City's behalf, for the possible disposition of the Canal Street Garage, and further recommending that City staff report back to the Committee on Lands and Buildings within three weeks for further review and recommendations as may be appropriate.

Alderman Forest duly seconded the motion.

Alderman Gatsas stated I need a procedural answer on what we do here. When a Committee meets and takes a vote to send something to the Board can the Chairman of that Committee call another meeting on the same subject?

Solicitor Clark responded legally yes.

Alderman Gatsas asked at any time you can call Committee meetings before a Board votes.

Solicitor Clark answered as long as you meet the statutory requirements of the notice the Committee can meet.

Alderman Gatsas asked and what is that statutory time.

Solicitor Clark replied I believe it is a 24-hour notice.

Alderman Garrity stated I have a question for Tom Clark. I asked Tom Arnold at the meeting if it was his opinion that it didn't have to go out to bid. He said yes. I asked if it was your opinion also. He didn't have an answer. Is it your opinion that this garage has to go out to bid or it doesn't have to?

Solicitor Clark responded the way the surplus property owner works, the Lands & Buildings Committee can make findings that it is in the best interest to make a direct sale. If they do so it does not have to go out to bid.

Alderman Garrity stated but it is my understanding that the garage hasn't been determined surplus yet.

Solicitor Clark responded I don't believe it has.

Alderman Garrity asked so can we do it or can't we do it.

Solicitor Clark answered there has been no sale yet. As long as that determination is made before the sale it is legal.

Mayor Baines asked so the Committee can proceed with that recommendation.

Solicitor Clark answered legally the Committee can proceed. They can instruct staff to negotiate and they can meet afterwards and make the determination before they decide whether or not to make the sale.

Alderman Gatsas stated we had two bidders and I guess, your Honor, over the course of the last two weeks an awful lot of revelations have been viewed that I know this Board member wasn't aware of and maybe some others were that we have an appraiser that hasn't come before any Committee so that we can ask him questions on how he developed an appraisal. Last week, we heard that the City is paying for 400 spaces in a garage next door to the Canal Street garage. The City is paying \$130/month for those spaces. Now I don't know where that is in the budget and Mr. Sherman maybe you can explain to me where that is because I am looking at 400 spaces at \$130/month and another 66 spaces at the Fleet Bank at \$149/month. That is a total over a course of a year of over \$1 million in contracts and I don't know why we are paying that. I guess somebody needs to tell me why these contracts haven't been terminated when we have vacant garage space.

Mr. Sherman responded I can tell you that the money is budgeted in the Traffic Department. I am not sure about the Fleet Bank number, if that number is accurate but I know that Wall Street Towers is close to \$375,000 a year. Maybe Mr. Lolicata can give you a more accurate number but I believe that one is. That one was...again this is where we need Jay Taylor because he has the institutional memory on that but I believe that one was a 20 year agreement, which is coming due in the next several years so you can get out of that Wall Street one but it was a type of arrangement that in order to get that garage built and get that project built the City agreed at that time that they would rent those spaces and then, therefore, have them available for public use. Again, as far as the Fleet Bank/Numerica building, I know that part of that is metered spaces and I know that we pay some expenses on that but that number you threw out I am not familiar with.

Mayor Baines stated I would suggest that the Committee on Traffic deal with that issue. The issue before us tonight is a recommendation of the Committee.

Alderman Gatsas responded I think that is relevant. The relevancy of that is that we have seen an appraiser that has used an amount of money to create a price. If the market rate on spaces that the City is paying is \$130/month that market price should be reflected in what the sale or the value of that garage is. Again, this has nothing to do with the owners of Tower Realty. It has to do with process and the process here is not right. We had two bidders on an RFP. Tower Realty was not a bidder on the RFP that originally went out. Neither one of those bidders had the ability to negotiate with the City. That is wrong. We are taking

somebody that never bid on the property, sent us a contract and now we are negotiating. That is not a fair process, your Honor.

Mayor Baines stated first of all I don't think when the Committee first got involved with this or we got involved in this that there was an awareness that the Committee had under ordinance the ability to deal directly with an abutter related to the property. Is there is something that the Committee is doing that does not follow proper procedures or legal procedures?

Solicitor Clark responded I believe the Committee has always been aware and followed that process a number of times when selling parcels of land to abutters. I know the Clerk's Office is and our office is and I believe the full Committee is aware of it. The process calls for the Committee to make a finding and make a recommendation to this Board of reasons why it should be a direct sale to the abutter in the best interest of the City.

Alderman Lopez stated I assure you that the Committee was aware of it because I was at the meeting and mentioned it and the motion still proceeded to do something else. I asked Tom Arnold to research it and that is why he researched it and the Chairman at that time asked that the communication be brought back to the Chairman of that Committee. Tom Arnold did bring that communication back and that is why we are negotiating directly, which we are authorized to do and the way I understand the motion here is that we are not accepting anything, we are just entering into negotiations and things are still moving forward with staff. I really don't know what the major problem is.

Alderman Thibault stated before I called a meeting of the Lands and Buildings Committee to happen today, I asked the City Solicitor, Tom Arnold and the Clerk, Carol Johnson to make sure that the legality of this was proper and that is the only reason I called the meeting. I called the meeting because this is an abutter to a property, your Honor, that has been in this City for 28 or 30 years. However, it has changed ownership but the premise was still there that when this was built that garage would be to, in fact, help this business thrive. If that has changed then I don't know about it and I am sorry. All I did was I wanted to make sure that everything was legal before I asked the Committee to meet tonight and they met and the results are what we are talking about here tonight.

Alderman Shea stated I see a moving target here, your Honor. In other words, we have a proposal here under Item V recommending that the City send out a request for proposals for disposition with a minimum bid of \$3,000,000. At the 11th hour, the Committee meets and now we have a different scenario. It is very confusing to me, your Honor, because I am not privy to all of this information. I would assume that if the people that Alderman Thibault referred to were interested they could be part of an RFP and open it up for other people to bid on it. It doesn't make any sense to me to change whatever was agreed upon at the previous Lands and Buildings meeting. It just seems confusing. Nobody wants to deny

anyone an open policy here but to change the rules of the game at the 11th hour in my judgement...you know they met tonight at 5 PM and then at 5:30 PM there was a change and so forth and that is pretty close to five or six hours ago. My point is that we should probably in my judgement table this and come out with some sort of an agreement whereby proposals could be submitted and this particular group of people would have the same opportunity to submit a proposal as other people interested.

Alderman Forest stated just to answer Alderman Shea's comments, a year ago in October I invited people from Hampshire Tower or Tower Realty to come to a Lands and Buildings Committee meeting. Richard Mulvee from Hampshire Towers showed up and was going to make a presentation but Alderman Gatsas said I don't want to hear his presentation and he was shut off and not allowed to speak. Four months ago I again invited Mr. Mulvee and a Scott Forester to again come before the Lands and Buildings Committee to make a presentation. Again, Alderman Gatsas stated he didn't want to hear him. I was sitting here with a letter in my hands from the owners and the people from Tower Realty when the Chairman of the Lands and Buildings Committee wouldn't even acknowledge me. I never brought it up again and since that point I have sort of stayed out of it. Since then, Mr. Nardi showed up along with the attorney, Kim Zachos. I didn't sit in on today's meeting but I think the owners of Hampshire Tower Realty have wanted that thing since the day they bought the building. That is the reason I got involved in it in the first place. I believe as an abutter that they should be given the opportunity to at least negotiate for that garage. We had two RFP's that were well below the market value and again we voted that one down. Here we are again discussing the same thing. I want to vote in favor of giving them the opportunity to negotiate.

Alderman Gatsas stated with all due respect to my colleague from Ward 12, I think the reason why I refused those two negotiating items is because we were out with RFP. I thought it was inappropriate for the City when we were in a bid process to talk to anybody. I think that the same process now is continuing. They had an opportunity to put an RFP in. I think that legally we are at some risk because we never negotiated with anybody who put in an RFP. In the past we have. I can't remember in the four years that I have been sitting here that we have not negotiated with anybody who has bid on an RFP but in this instance for some reason we didn't even talk to anybody to see if they wanted to come up with a different price. I think the taxpayer's money is at risk. We shouldn't be talking to one person. It should be a bid process. It should go out to bid. We are here as custodians of the taxpayer's money. As a custodian of the taxpayer's money, the RFP should go out. We came in with a vote three weeks ago for a minimum bid of \$3,000,000. For Alderman Thibault out of the clear blue call for a meeting within 24 hours he must have known the vote changed because the vote three weeks ago was 3-2 to go forward with a minimum bid of \$3,000,000. Arbitrarily he must have known that that vote had changed to call for a meeting. I think that when we are the custodians of the taxpayer's money that we should be looking to protect their interests. I have nothing against Tower Realty coming in and making a bid. They

should do it just like we did, as Alderman Guinta just made me aware, we didn't negotiate with an abutter when he wanted to buy a small sliver of land. We went out to bid on it for \$5,000. On a property that is well assessed in excess of \$4 million we don't even have the opportunity to talk to the appraiser who put this value on the property as to how it could be such a ridiculous price when we are talking about building a garage on the corner of Bridge and Elm for \$15,000 a unit and we are looking to sell this one for less than assessed valuation. That doesn't seem to me like we are custodians of the taxpayer's money. That seems to me like we are looking for a fire sale at some point to meet budgetary items that we have discussed in the budget process.

Mayor Baines responded first of all I don't think there has been any discussion about using any revenue from this sale for this particular budget and I don't think any one particular Alderman has any ownership of being custodian for City funds.

Alderman Guinta stated I have a couple of more questions now. What do we plan on doing with the revenue?

Mayor Baines responded it would go into a reserve fund that we have established for this purpose. In fact, as you recall we have asked the Board to set-up a special reserve account dealing with the sale of City property, which the Board adopted. Mr. Sherman can explain this further.

Mr. Sherman stated the first thing you have to understand is there is still debt service on this garage so the proceeds that equal the debt service will have to be used for another bondable project but the Mayor is right. Anything over and above that will actually go into that one time revenue reserve account that was established last year.

Alderman Guinta responded in that revenue account is the idea to use the complete funds in that account to reduce the tax increases.

Mr. Sherman replied no. The usage from that account is either for items of a capital nature, you know one time type capital items or the ordinance allows us to take the earnings from that account and apply it to an ongoing operating expense.

Mayor Baines stated for example, Randy, we could use it to help replace the fleet at the Highway Department or the Police Department or things of that nature right.

Mr. Sherman responded no because that really wouldn't be a one time expense. If you wanted to use those funds say to put towards the Hands Across the Merrimack Bridge or something of that nature where it is a one time expense, that is really what that was established for.

Mayor Baines replied several people have asked that question and I want that clarified.

Alderman Guinta stated I have some concerns about the issue and I wonder if there is some room for compromise. I think that it is reasonable for an abutter who has expressed interest in the property to go through a normal process. I don't know why the abutter did not respond to the RFP. Can we have a new RFP process that the abutter is made aware of and included in or invited to respond to to make it a fairer process for other parties that are involved and also allowing the abutter who has expressed interest their crack at the property?

Mayor Baines responded I don't have the answer to that. All I know is that the Committee has made a recommendation that the staff sit down and negotiate with Tower Realty and that whole issue must come back to the Board for final approval at the end as well.

Alderman Guinta asked so is what is going to happen that the City would be negotiating with the abutter and if they came to an agreement that agreement would then come back to the Board and we would vote it up or down.

Mayor Baines answered that is correct. You are protecting the taxpayer's from that viewpoint because if the Board, in its collective wisdom, based upon the information they have determine that that price is not in the best interest of the City and the taxpayers you can vote no. If you think it is, you can vote yes.

Alderman Guinta asked what happens if someone tomorrow reads the paper and says well I want to bid \$100,000 more than what Tower Realty is going to bid. Do they have an opportunity to...here is my point. My concern is are we establishing a pattern, a new pattern of how we conduct business in the City. The example that I am referring to is the one that I believe the same Committee dealt with most recently, which is Red Oak Properties requested to purchase a very small plot of land right behind their parking lot. I think it was \$5,000 that they offered the City. The Committee rejected that bid and required that that piece of property go out to bid. We were talking \$5,000. In that circumstance I was very much in favor of Red Oak buying the property because their use was to extend the parking lot and that surface currently is just a dirt lot. In Tower Realty's situation they may have the best use at hand for this property, but are we sending mixed messages saying to one business owner in the City well you have to do it this way and saying to a different business owner these are your rules? I think that in the interest of being fair and reasonable to everybody we should come up with one way of doing this and adhere to that procedure each time this issue comes before the Board.

Mayor Baines stated my understanding is there is an ordinance that allows the Board to have discretion in terms of each individual issue that comes before it and has options to explore and can vote either up or down in terms of those options. Correct?

Solicitor Clark responded these matters are all referred to the Lands and Buildings Committee. That Committee reviews them with City staff, mainly the Planning Department, to determine whether the property is surplus and it makes a determination as to the manner of sale of the property, i.e. whether it goes out to public auction or is a direct sale. The Committee has used all three avenues in the past. There are times when an abutter comes in and asks for property and the Committee determines after review with staff that the abutter is the only one who can make a reasonable use of that property and they would offer a direct sale. There are other times when an abutter comes in and asks for an abutting piece of property and the staff or the Committee determines that other abutters may also have the same need for that property and recommends that it go out for public sale.

Alderman Guinta replied I understand that and Tower Realty...it sounds to me like Tower Realty made the position to the Committee that their use was the best and highest use. Well if you compare this situation to the Red Oak situation, the piece of property that they were looking at was a very, very small piece of property. I am just asking for consistency one way or the other. The property behind Red Oak, you can't build anything on it because it is not big enough to build a home or even a garage. The only real use it has because I think it only extends 50' or 48' is to extend the parking lot yet they were told...they did the same thing. They initially came and I believe sent a letter to one of the City staff offices and had offered to pay for it because there was really no other use for that land and we are not being consistent. I have had discussions with Tower Realty. My personal feeling is there is a very logical and reasonable explanation as to why they want to buy it, but given the fact that there was already a bid process...I don't know if we are sending...to me we may be sending the wrong message to businesses in this City if we accept the bid process and ignore that same process two months after the bid process was requested. That is the concern I have. I don't want to send mixed messages and I think we need to come up with an appropriate policy that is fair both to the abutter and other interested parties.

Alderman O'Neil stated it is clear now that the use of the Canal Street garage is directly related to the use at Hampshire Plaza and we have seen those numbers. As soon as PSNH moved out and into their new headquarters, we saw that the use of the garage dropped dramatically. We have the numbers to document that. If Bill Cashin was here he might be able to share the history of why the garage was built and its relationship to 1000 Elm Street. There is a bridge that connects the two. My guess is the same would be true for the Center of New Hampshire garage. There is a direct relationship between that garage with the office building and the hotel that was built at Elm and Granite Street. In my opinion it is in the best interest of the City of Manchester, downtown businesses, and visitors to the downtown that if possible the City negotiate with Tower Realty to see about reaching an agreement. It is also my opinion that if the garage is sold to another party with no direct relationship we could see parking rates raised excessively and in my opinion it would force businesses to leave downtown Manchester. I support the Committee's recommendation this evening.

Alderman DeVries stated there is one additional thing that I don't think anybody has touched on. It is an additional benefit for the taxpayers in the City of Manchester. I have mentioned it several times in Committee. If the Plaza is fully occupied, the City of Manchester will receive a higher tax rate than if that building is half or three quarters occupied. There is a direct correlation between the parking garage, at least according to the present owners...they strongly advise us that there is a correlation between this garage and their ability to fully occupy that building. I see this as a win-win scenario if they come in with a strong offer and they have 21 days, only 21 days to come back to us with a proposal that is fair market value and a strong proposal. We can win by removing the \$700,000 yearly operating deficit that the garage is currently costing the taxpayers. That is each year \$700,000. So we can sell the garage at a profit, insure that we have full occupancy at a building and maximize the tax dollars being received on that property. If, though, 21 days from now the Committee on Lands and Buildings does not see a bid that they feel is at all comparable to what we would have seen if that went out to an RFP process we will then proceed with the RFP to make sure that the taxpayer benefit is fully protected. I think it is that simple. We want to make sure that our tax dollars are maximized. We want to make sure that we get a fair, if not highly profitable amount for this garage and I think the owners understand that. We are not giving this property away in any way, shape or form. They have seen the \$3 million minimum based on the RFP and I think they know the ballpark that everybody is looking for and if they do not give it to us then it will go out to a full RFP and be open for bid from everybody.

Alderman Lopez stated whatever Board of Mayor and Aldermen created ordinance Section 34.21 did a great job for the City because it gives us the opportunity to look out for the best interests of the City. I think we all know how we are going to vote on this issue so I think we should move the question.

Alderman Thibault stated I would just like to have everyone understand why I did this. As Chairman of Lands and Buildings, I did this because in the past the City has always tried to give the abutter the last chance to acquire a property next to his business. That is the only reason I did it and as Alderman DeVries just pointed out there is no way that we on Lands and Buildings or anyone else is going to want to give this property away. I believe these people know that but when this thing first went out to bid and we came up with \$2.5 million, which was ludicrous...everybody agreed with that, everybody who is for or against it now. All I am saying is we are giving these people the last chance to come up with a reasonable offer for this property and if they don't come up with a proper offer it is going out to RFP. We are giving them 21 days. That is what we are asking for tonight.

Alderman Gatsas stated I have some questions for the Assessors. Obviously Wall Street Towers is an important piece of real estate to downtown Elm Street. The assessed valuation on that garage currently is \$4.5 million if my memory serves me right.

Mr. Stephan Hamilton responded that is about in the ballpark.

Mr. Tom Nichols stated \$4.27 million.

Alderman Lopez asked are we talking about the Canal Street garage or Wall Street Towers.

Alderman Gatsas answered the Canal Street garage, I am sorry. If a current buyer of that property were to buy it for less than the \$4.5 million I would assume they would be on your front step looking for a revaluation?

Mr. Hamilton responded I would assume that they would too.

Alderman Gatsas stated so when Alderman DeVries talks about increasing the valuation of the plaza, when Tower Realty bought the property did they come in for an abatement.

Mr. Hamilton responded I wasn't on the Board of Assessors at that time so I don't know the history.

Mr. Nichols stated no they have not.

Alderman Gatsas asked there was no abatement from the time it was assessed to purchase price.

Mr. Nichols asked for Canal Street.

Alderman Gatsas answered no for the plaza.

Mr. Nichols stated they did come in last year.

Alderman Gatsas asked what was it assessed for prior to the sale.

Mayor Baines stated just so everyone understands, we are talking about the Hampshire Plaza.

Mr. Nicholas responded it was assessed at \$16 million and when they came in we negotiated because of the vacancy and fit up that they had to do and brought it down to \$13,999,400.

Mayor Baines asked it was actually sold for well under that price correct.

Mr. Nichols answered it sold for \$9 million.

Alderman Gatsas asked so the assessment difference is about \$3 million from what it was assessed for and the valuation reduction.

Mr. Nichols answered right.

Alderman Gatsas asked so the best we are looking at is if the assessed valuation were to go back to 100% occupancy it would go back up to about \$16 million.

Mr. Nichols answered exactly.

Alderman Gatsas asked so anything between that \$3 million and the reduction in the valuation of the \$4.2 million on the garage would be really somewhere of a net of those two numbers. Have you had an opportunity to look at the appraisal?

Mr. Hamilton responded we both have.

Alderman Gatsas stated without divulging any breach of that appraisal, in that appraisal they talk about 400 spaces at Wall Street Tower that the City is currently paying \$130/month for and another 66 spaces at the Fleet Tower that we are paying \$149/month for. If the City is paying somewhere in the vicinity of \$140/month or let's say \$138/month average for a space for 466 spaces wouldn't you consider that market rate?

Mr. Hamilton replied that may be a single indication of market activity, however, you heard that there was an agreement that was entered into perhaps as many as 20 years ago that established what that rate would be so from an appraisal standpoint it would be difficult to say that that is a direct factor.

Alderman Gatsas asked in the appraisal process have you had an opportunity to talk to the appraiser at all regarding his appraisal of this property.

Mr. Hamilton answered yes I did.

Alderman Gatsas asked and he indicated that the market approach or the income approach was justified at using the amount of spaces and the rental figures that are there.

Mr. Hamilton answered that is his estimate of the market rate for those spaces. That is what he believes the market rate to be for those spaces – what is indicated in the appraisal.

Alderman Gatsas asked and the only thing he used in his appraisal is what the City of Manchester is paying at Wall Street Tower and at the Fleet Tower, nothing on what the market rate would be.

Mayor Baines asked Wall Street.

Alderman Gatsas answered yes Wall Street Towers. The City is paying \$1 million in parking rental in two locations that I don't even know if we utilize. Now I think that there are 162 employees in the City that we could put into either one of these two locations but I don't know where that...Mr. Sherman can you show me, I am looking at the budget here. Can you show me where that \$1 million contract is please?

Mr. Sherman responded no because I am not sure there is \$1 million. Where are you coming up with \$1 million?

Alderman Gatsas stated I am using the appraisal number. He said that the City is renting 400 spaces at the Wall Street Tower at \$130/month. If I use 400 spaces x 130 x 12, that is \$624,000 a year. If I use \$149/month x 66 spaces x 12, that is \$118,000. That is somewhere in the vicinity of \$750,000. Can you show me where that is in the budget please because I don't think that anybody on this Board ever knew that that number was in a budget and we were paying for rental of spaces in any garage.

Mayor Baines asked am I clear on this. It is being made to sound like this is some magical thing that just appeared. This is a 20-year payment agreement that was reached with the development team regarding the construction of those garages. Am I correct, Mr. Sherman?

Mr. Sherman answered that is correct.

Alderman Gatsas stated but I am sure 20 years ago the rate wasn't \$130/month.

Mayor Baines replied the only point I am trying to make and those agreements have expiration dates, am I correct on that Mr. Sherman.

Mr. Sherman answered correct.

Mayor Baines stated and only at that time will the City have any ability to go in and restructure that agreement. Am I correct, Mr. Sherman?

Mr. Sherman responded I believe in the case of Wall Street after the 20 years you can walk away from the agreement. It is your choice if you want to reup those spaces to keep them public but...

Mayor Baines interjected one more thing and then I will go on to Alderman Gatsas. That was part of the agreement to make the financial feasibility of those structures work at that time correct?

Mr. Sherman answered correct.

Alderman Gatsas stated but people should understand also that we keep talking about the Traffic Department and their deficit and how these garages aren't paying for themselves and at no time has anybody ever said that the \$750,000 burden on that Traffic Department has been for 466 spaces at two other garages because if we eliminate that the Traffic Department is probably going to show a positive. I am not saying whether or not we should be doing it and whether it was a 30-year contract or not but nobody on this Board...did anybody on this Board know about that?

Alderman Lopez responded I did.

Mayor Baines stated we have a motion on the floor.

Alderman Gatsas stated we have a minority report. When are we going to talk about the minority report?

Mayor Baines stated I am going to call for a vote on the majority report first.

Alderman Guinta asked what are we voting on.

Deputy Clerk Johnson replied the motion on the floor is to replace Item V with the majority report of the Committee from this evening that was presented and accept that report.

Alderman Gatsas requested a roll call vote. Aldermen Gatsas, Guinta, Osborne, Shea, and Garrity voted nay. Aldermen Sysyn, Pinard, O'Neil, Lopez, DeVries, Smith, Thibault and Forest voted yea. The motion carried.

Alderman Gatsas stated I would like the minority report passed out and read into the record.

Mayor Baines asked can we deal with the minority report when we have already accepted the majority report. Mr. Clark?

Solicitor Clark replied generally the process of this Board is to vote up or down on the majority report and if the majority report is voted down then the minority report is voted on at that point.

Mayor Baines asked so we would now vote on the minority report.

Solicitor Clark stated you can discuss the minority report. The majority report has already passed.

Mayor Baines asked so what would be the purpose of...I think we have already discussed this.

Alderman Gatsas stated I asked you that question before you took the vote.

Mayor Baines responded that is why I asked the City Solicitor. We knew there was a motion on the floor. That is the motion that comes forward first – the majority report. That was made clear.

Alderman Gatsas stated I tried to talk about it before but you didn't let me. I tried to bring it in before you took your vote.

Mayor Baines responded we followed the procedure. The majority report is always voted on initially. Am I correct, Solicitor Clark?

Solicitor Clark replied that is the process this Board has always followed. There is nothing to stop the Board from allowing Alderman Gatsas to present his minority report and explain it and read it into the record.

Mayor Baines asked do you want to explain it and read it into the record.

Alderman Gatsas stated I would like to have it read into the record and then I guess we can discuss it.

Deputy Clerk Johnson stated there is a minority report of the Committee on Lands and Buildings. The report read as follows:

Minority Report of the Committee on Lands and Buildings stating the undersigned being in the minority vote of the Committee on Lands and Buildings respectfully recommends that the City proceed with going out for RFP for the disposition of the Canal Street garage and not to hold negotiations with any parties prior to that time. The undersigned represents that proceeding with negotiations with Hampshire Plaza LLC is not in the City's best interest and that it would not provide for open process for bids, negotiations of the price may be based on an appraisal that does not represent fair market value revenues, that private negotiations with one party preclude the City from knowledge of what another party may be willing to pay the City for acquisition of the property and lastly that there were no negotiations held with the two previous bidders regarding this property. Signed by Alderman Gatsas and Alderman Garrity.

Alderman Shea stated I would like to make a proposal that we find out where the loan is or the money is for the spaces so that as an Alderman I would know what is going on as far as what Alderman Gatsas was talking about.

Mayor Baines responded we will make sure that the Aldermen get a copy of all of those agreements related to the garages.

Alderman Shea asked I want to know where the payment is coming from. Whether it is coming from some bond or somewhere else.

Mayor Baines answered we will get you that information.

Alderman Gatsas stated without divulging anything there are people in this City that have serious interest in that garage. I have been contacted by at least two of them and I think that it is inappropriate that we are not putting this out and you can call us not custodians of the taxpayer's money but I believe we are, your Honor, custodians of the taxpayer's money. I think we oversee that money and we control it and we watch it and we spend it...hopefully we spend it as if it were our own. I think that if any one of us owned that garage personally we would be looking to receive the highest and best price for it. I think that before any of us question what an appraisal is, that appraiser should be sitting in front of us so we can ask him questions about that appraisal. So whether I have to call a meeting of Administration to have the appraiser come in so that I can question him at that meeting...I think it behooves this Board because again as Alderman Guinta said the Chairman of Lands and Buildings voted in favor of sending that \$5,000 out to bid instead of giving it to an abutter and not even negotiating with them. It was a 5-0 vote that came out of Lands and Buildings on that one small piece. I think, your Honor, that this has nothing to do with Tower Realty. It has to do with the process and the process was there. They weren't even a bidder on the initial one. They didn't bid. We didn't ever negotiate with the two bidders that were there. I don't remember one time not negotiating with any bidders who were RFP bidders on any proposal that we have ever done in this City. I think it is unfair what we have done to them and maybe the City Solicitor can tell me if we have opened ourselves up to any legal entanglement that we haven't negotiated with them in good faith.

Solicitor Clark responded it is my understanding that we went out for RFP's and we received two. They did not meet the minimum and they were both rejected.

Mayor Baines asked so the answer to his question is that you don't believe we are.

Solicitor Clark answered I don't believe we are opening the City up to any liability.

- Report of the Committee on Traffic/Public Safety:**
- W.** Recommending that an agreement between the City of Manchester and Rockingham Regional Ambulance, Inc. for emergency ambulance services be extended for a one-year period ending December 31, 2004. The Committee further recommends that the Mayor be authorized to execute such amendment to the agreement, as enclosed herein, subject to the review and approval of the City Solicitor.

Alderman Shea stated this has to do with an agreement between the City of Manchester and the Rockingham Regional Ambulance Service. I have no problem with that. What I have a problem with is that I was observing on the corner a very dangerous intersection at

Tarrytown Road, Valley Street and Massabesic Street. I would like a letter of caution that when the ambulances are returning back to where they belong they don't have to put their siren on and they don't have to go beyond the speed limit. While I was observing in that particular intersection I said gee they must be answering a call and the person who resides there and happens to own a business said no they are just returning back to where they belong. I am saying well why would they want to go so fast at a busy intersection. You know where I am talking about? Tarrytown Road, Massabesic Street, Valley Street. What I am asking is that word be sent to them when they are not on an ambulance call and they are just returning that they observe the rules of the road so to speak.

Chief Kane stated I have a real quick comment on that. I will certainly check into that. If that would be the case that they would be returning to their quarters they would be breaking State law. That is not something that they can do and I will speak with them but I would make one comment on that. The ambulances quite often get dispatched right out of the hospital so they are at the hospital and they do a quick turn around...

Alderman Shea interjected my understanding was that this ambulance was going back. You said that they are dispatched from the hospital?

Chief Kane answered yes they can be dispatched from anywhere they are in the City. If the ambulance goes to the hospital and drops a patient off and is needed again they can be dispatched right from the hospital. That could be the case but I will certainly look into that and have a discussion with them.

Alderman Shea asked is that the usual procedure. There is only one ambulance in the whole City? Isn't there another one that would answer a call if one is on another call?

Chief Kane answered there are three ambulances at any one time within the City but if the call is near the hospital or in that area of the City or if that is the next available ambulance, they will dispatch right out of the hospital. It is an efficiency thing. Instead of coming back downtown and being dispatched out they just get dispatched right from there.

Alderman Shea stated there was an incident where they were going to pick up someone using an ambulance siren and the person said you don't have to use the siren so that was clarified because the lady whose husband was being picked up to be brought said you don't have to use the siren, it is not an emergency. What I am saying is there are certain times when they are exceeding normal procedures.

Chief Kane replied we will certainly look into that because most of those things are against policy.

On motion of Alderman Shea, duly seconded by Alderman O'Neil it was voted to accept the report of the Committee on Traffic.

Mayor Baines stated before we continue Alderman Gatsas has served notice of reconsideration. I would ask the Board at this time if they want the staff to proceed with negotiations while that notice of reconsideration is pending.

Alderman Lopez moved to have City staff continue with negotiations regarding the Canal Street Garage. Alderman DeVries duly seconded the motion.

Alderman Gatsas asked is there any way we can get the appraiser in here before then to ask him direct questions or can I in Administration set up a committee meeting and have him come in.

Mayor Baines replied I would suggest you have the Committee on Lands and Buildings set-up a meeting to deal with that. I agree with you on that.

Alderman Gatsas asked can we ask the Chairman to do that within the next couple of days because we did this one within 24 hours.

Mayor Baines stated you can discuss that with the Chair.

Mayor Baines called for a brief recess.

Mayor Baines called the meeting back to order.

Deputy Clerk Johnson stated it is my understanding that there is a motion on the floor made by Alderman Lopez and seconded by Alderman DeVries to allow the staff to continue discussions and negotiations with Hampshire Plaza LLC.

Alderman Gatsas stated I believe the last time we met and had a conversation about this the staff recommended that it go out to an RFP. For some reason, we don't take and I guess Mr. Sherman can give me what his recommendation would be and the City Solicitor also so that whether we are going out to an RFP or what their recommendation would have been in this process.

Mayor Baines responded the discussion right now is whether the staff will continue with negotiations.

Alderman Gatsas asked but didn't you give me the floor so that I could ask the question.

Mayor Baines answered if it is relevant to the discussion we are having.

Alderman Gatsas replied it is because it deals with the RFP and negotiating with the abutter.

Mayor Baines stated proceed with your questions.

Alderman Gatsas asked, Mr. Sherman, what was your recommendation when we first started this process.

Mr. Sherman answered it is always the recommendation of the Finance Department that we go out to a competitive bid process whether you are buying or selling.

Alderman Gatsas asked and what was the City Solicitor's recommendation.

Solicitor Clark answered I believe it was a joint recommendation when the staff came before this Board and the Committee and recommended that it go out to public auction.

Mayor Baines stated without a minimum price.

Solicitor Clark responded we didn't get involved with minimum price.

Mayor Baines stated the recommendation was specifically to go out to an RFP without a minimum price.

Mayor Baines called for a vote on the motion. Alderman Garrity requested a roll call vote.

Alderman O'Neil asked for clarification as to what the motion is.

Mayor Baines answered the motion is to allow City staff to proceed with discussions and negotiations with Tower Realty regarding the purchase of the Canal Street garage.

Alderman O'Neil asked and again there is a 21-day duration.

Mayor Baines answered yes.

Alderman Gatsas asked when does the RFP process...I thought the motion from the Committee allowed the RFP process to continue.

Deputy Clerk Johnson answered the report on the negotiations was to go back to the Committee on Lands and Buildings.

Mayor Baines stated we will continue with the roll call. I believe everybody understands the motion.

A roll call vote was taken. Aldermen Garrity, Gatsas, Guinta, Osborne, and Shea voted nay. Aldermen Smith, Thibault, Forest, Sysyn, Pinard, O'Neil, Lopez, and DeVries voted yea. Alderman Wihby was absent. The motion carried.

Communication from Robert Pariseau resigning as a member of the Manchester Airport Authority.

Mayor Baines stated in addition to former Alderman Pariseau who as you know has moved and has resigned as a member of the Airport Authority we also have a resignation from Robert Bennett who was serving on the Zoning Board and also there was a letter received from Ralph Garst resigning from the Police Commission. I would ask the Board to accept these with regret.

On motion of Alderman O'Neil, duly seconded by Alderman Thibault, it was voted to accept these resignations with regret.

Nominations to be presented by Mayor Baines, if available.

Mayor Baines stated I have some renominations that I will present at this time.

Parks, Recreation and Cemeteries

Mike Worsely to succeed himself, term to expire July 7, 2006

Conservation Commission

Jennifer Drociak to succeed herself, term to expire August 1, 2006.

Michael Poisson to succeed himself, term to expire August 1, 2006.

Joann O'Shaughnessy to succeed herself, term to expire August 1, 2006.

On motion of Alderman Garrity, duly seconded by Alderman O'Neil, it was voted to suspend the rules and confirm the above nominations as presented this evening.

Mayor Baines stated there is one other one that I would specifically like you to suspend the rules and deal with tonight because of the vacancies on the Zoning Board of Adjustment.

Zoning Board of Adjustment

Marguerite Wageling to fulfill the unexpired term of Bob Bennett, term to expire March 1, 2005.

On motion of Alderman Pinard, duly seconded by Alderman Thibault it was voted to suspend the rules and confirm the nomination of Marguerite Wageling to fill the unexpired term of Bob Bennett on the Zoning Board of Adjustment, term to expire March 1, 2005.

Mayor Baines stated I have two more first time nominations.

Airport Authority

Bobby Stephen to fulfill the unexpired term of Robert Pariseau, term to expire March 1, 2004

Zoning Board of Adjustment

Atty. David Lefebvre to fulfill the unexpired term of Marguerite Wageling as an alternate, term to expire March 1, 2004.

Mayor Baines stated as per the rules of the Board, these nominations will lay on the table until the next meeting.

On motion of Alderman Thibault, duly seconded by Alderman Sysyn, it was voted to recess the regular meeting to allow the Committee on Finance to meet.

Mayor Baines called the meeting back to order.

OTHER BUSINESS

A report of the Committee on Finance was presented recommending that Bond Resolutions:

“Amending a Resolution of the Board of Mayor and Aldermen Passed to be Enrolled on June 1, 1999, Which Resolution Authorized the Issuance of Bonds in the Amount of Twenty Million Dollars (\$20,000,000) for Refunding Certain Outstanding Bonds of the City.”

“Amending a Resolution of the Board of Mayor and Aldermen Passed to be Enrolled on September 24, 2001, Which Resolution Authorized the Issuance of Bonds in the Amount of Thirty-Five Million Dollars (\$35,000,00) for Refunding Certain Outstanding Bonds of the City.”

ought to pass and layover; and further that a Resolution:

“Amending the FY2000, 2003, and 2004 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Twelve Thousand Nine Hundred Forty Two Dollars (\$12,942) for certain CIP Projects.”

ought to pass and be enrolled.

On motion of Alderman Shea, duly seconded by Alderman Pinard it was voted to accept, receive and adopt the report.

Deputy Clerk Johnson noted we have three reports of the Committee on Human Resources/Insurance that have been handed out this evening.

1) A report of the Committee on Human Resources/Insurance recommending that the Board approve amending eight Airport class specifications and that an ordinance for such purpose be referred to the Committee on Bills on Second Reading for technical review;

2) A report of the Committee on Human Resources/Insurance recommending that the Board approve a reclassification and establishment of two additional positions at the Airport; and

3) A report of the Committee on Human Resources/Insurance recommending that the Board approve a request from the Human Resources Director to reclassify an Analyst position to Compensation Manager and that an ordinance for such purpose be referred to the Committee on Bills on Second Reading for technical review.

Alderman Lopez moved to accept, receive and adopt all three reports. Alderman Shea duly seconded the motion.

Alderman Gatsas asked what was the third report.

Deputy Clerk Johnson answered reclassifying an Analyst position to the title of Compensation Manager and referring the ordinance to the Committee on Bills on Second Reading.

Alderman Gatsas asked that goes from what labor grade to what labor grade.

Deputy Clerk Johnson answered it is changes the title, not the labor grade.

Mayor Baines called for a vote. There being none opposed, the motion carried.

Communication from Alderman Daniel O'Neil requesting a waiver of all building permit fees relating to the Manchester PAL Recreation Center (409 Beech Street).

On motion of Alderman O'Neil, duly seconded by Alderman Pinard, it was voted to grant a waiver of all building permit fees relating to the Manchester PAL Recreation Center.

Communication from Kevin Dillon, Airport Director, requesting authorization from the Board of Mayor and Aldermen to extend his authority to enter into multiyear agreements on behalf of the Airport or City when situations necessitate immediate commitment or approval for another year.

On motion of Alderman Osborne, duly seconded by Alderman Thibault, it was voted to extend the authorization for Kevin Dillon to enter into multiyear agreements on behalf of the Airport or City when situations necessitate immediate commitment or approval for another year.

Communication from Joanne Shaffer, Finance Department, requesting authorization to expend \$23,500.00 from the EPD Replacement Account for a storage tank replacement.

Alderman Shea moved to authorize the expenditure of \$23,500 from the EPD Replacement Account for a storage tank replacement. Alderman DeVries duly seconded the motion.

Alderman Gatsas asked where is that replacement tank.

Ms. Joanne Shaffer answered it is at the Highway Department.

Alderman Gatsas asked and it is for the storage of what.

Mr. Frank Thomas stated it is for storage of chemicals down at the EPD facility.

Alderman Gatsas asked do they qualify for any State funding.

Mr. Thomas answered no. There are three tanks. One tank was leaking already and haz-mat was down there to replace it.

Mayor Baines called for a vote. There being none opposed, the motion carried.

Communication from Cathy Duffy of Girls, Inc. requesting a \$3,000 contribution to assist with unexpected rental costs through the end of the year.

Alderman O'Neil moved to approve the request and transfer \$3,000 from civic contributions to Girls, Inc. Alderman Shea duly seconded the motion.

Alderman Gatsas stated I don't have a problem but we are setting a precedent here. I think this is the second one in the last three months that we have approved. One was for \$2,000 and now this one for \$3,000. If we keep approving these we are going to start seeing more come before us.

Mayor Baines stated it is a request that has been made and the Board has the authority to either accept it or reject it.

Alderman Shea stated I think that we made an appropriation to the Boy's Club, your Honor. I think we should treat all sexes the same.

Mayor Baines responded first of all it is the Boy's & Girl's Club. We have made contributions through the budget process for a number of organizations in the community. I think Girls, Inc. if you recall ran into a really critical situation. They provide after school care programs throughout the City and they do a tremendous job. I have been to a number of their programs and they are just in a very tough situation right now. They are looking to try to get through this year and they have requested money from contingency.

Alderman Shea stated according to what was enclosed they are trying to close on a building and we are just helping them over the hump so to speak.

Mayor Baines responded that is correct.

Mayor Baines called for a vote on the motion. There being none opposed, the motion carried.

Communication from Leo Pepino requesting that the Board of Mayor and Aldermen provide all World War II veterans with a medal similar to those given to Manchester's soldiers after World War I.

Mayor Baines stated we don't have any cost on this. I would suggest that we refer this to the Committee on Administration for review and recommendation.

On motion of Alderman Lopez, duly seconded by Alderman Thibault, it was voted to refer this item to the Committee on Administration/Information Systems.

Resolution:

“Amending the FY2000, 2003, and 2004 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Twelve Thousand Nine Hundred Forty Two Dollars (\$12,942) for certain CIP Projects.”

On motion of Alderman Garrity, duly seconded by Alderman Pinard, it was voted to read the Resolution by title only, and it was so done.

On motion of Alderman DeVries, duly seconded by Alderman Osborne, it was voted that the Resolution pass and be enrolled.

TABLED ITEMS

- 20.** Request for discontinuance of a portion of Millstone Avenue.
(Tabled 08/04/03 at road hearing pending report from City Solicitor.)

This item remained on the table.

- 21.** Communication from Barbara Vigneault, Elderly Services Director, submitting a proposed lease option for the 66 Hanover Street location, and noting the need for additional funds to meet the terms of the agreement through the end of the fiscal year.

On motion of Alderman Lopez, duly seconded by Alderman Smith, it was voted to remove this item from the table.

Ms. Barbara Vigneault stated at the last Board meeting I presented a communication requesting an extension of the lease and the landlord had given us a couple of options. The Board had suggested that the landlord be asked to review those options and it is my understanding that the options remain as first presented. This is just a request for the Board to renew that lease extension.

Alderman Smith moved to extend the lease. Alderman Guinta duly seconded the motion.

Alderman Shea asked, Barbara, would this \$9,382 carry the east side center until the end of this fiscal year.

Ms. Vigneault answered yes.

Alderman DeVries asked are we sure that he will allow us an extension of the lease as opposed to a tenant-at-will option. Has this been verified as we are beyond the date?

Ms. Vigneault answered yes. I talked with him yesterday and he is awaiting clarification. He does want a letter from the City.

Alderman Guinta stated so you talked to them and tried to renegotiate a lesser fee.

Ms. Vigneault answered Bill Jabjiniak did on behalf of the City.

Mr. William Jabjiniak stated I had a conversation with Mr. Dupont. He felt that the two offers he made were more than fair and did not want to reduce or further negotiate his offers to the City.

Alderman Gatsas stated I think we put out an RFP to a property that abuts it – Mr. Dupont's property. Has that RFP gone out does anybody know?

Mayor Baines stated we can research that.

Alderman Gatsas stated well I am thinking maybe we can do an exchange here.

Mayor Baines asked what is the status of that. Does anybody know? I think we need to approve this.

Alderman Guinta stated well I hate to interrupt but that is a very valid point. I think what we are talking about here is some sort of exchange or bargain. I can't believe...you said to Ron what do you think and he said I don't want to negotiate so you made the decision right then and there that you don't want to present a new offer?

Mr. Jabjiniak responded he didn't make any new offers. He wanted simply to go back on what he presented previously.

Alderman Guinta stated I think what I asked is to talk to him specifically about reducing this figure.

Mayor Baines responded he did. That is what he said. He didn't want to do that.

Alderman Guinta asked well how extensive was the conversation and when did the conversation take place.

Mr. Jabjiniak answered shortly after the last meeting, which was about a month ago.

Alderman Guinta asked so close to a month ago this conversation happened.

Mr. Jabjiniak answered I would say inside the month. It was after the last Board meeting. I had a conversation once and followed it up with another telephone conversation and he basically said no I am going to stand by my original proposal.

Alderman Guinta asked now the request for proposal regarding the land that abuts his property, has that been issued. Can anyone answer that?

Solicitor Clark replied my office doesn't issue those. I don't know.

Alderman Guinta asked who issues those requests.

Deputy Clerk Johnson stated I am not sure what we are talking about.

Alderman Guinta stated the land that abuts Red Oak property.

Deputy Clerk Johnson responded that was a tax deeded property and it was placed in public auction and it has been referred to the auctioneer.

Alderman Guinta asked so it is not a request for proposal. It is an auction?

Deputy Clerk Johnson answered yes. That was referred to public auction and it has been turned over to the auctioneer.

Mayor Baines stated there is a motion on the floor and it has been seconded.

Deputy Clerk Johnson asked before you take the vote I just want to clarify what the motion is because it wasn't stated. I am presuming that it is to authorize the execution of an

agreement subject to the review and approval of the City Solicitor and I guess I just want to also ask whether or not it was to include a follow-up resolution for contingency to address the shortfall.

Mayor Baines asked can we deal with this item first and contingency second.

Deputy Clerk Johnson answered yes.

Mayor Baines called for a vote on the motion to authorize the execution of the agreement subject to the review and approval of the City Solicitor. There being none opposed, the motion carried.

Mayor Baines asked would the Finance Officer advise me as to where he recommends this money come from. Contingency? It is a shortfall of \$9,382.

Mr. Sherman responded that would come from contingency.

On motion of Alderman Lopez, duly seconded by Alderman Garrity, it was voted to transfer \$9,382 from contingency to the Elderly Services rent line item, if required.

NEW BUSINESS

Alderman O'Neil stated we have been asked to set-up a Special Committee on Solid Waste and Recycling. We need approval tonight by the Board to set-up that Committee and it is my intent to name Alderman DeVries Chair. My understanding in conversation with Alderman DeVries is that she would appoint Aldermen Lopez, Guinta, Shea and Forest to this Committee.

On motion of Alderman O'Neil, duly seconded by Alderman Garrity it was voted to establish a Special Committee on Solid Waste and Recycling.

Alderman Lopez stated I have a basic announcement. The Manchester Senior Activity Center Building Fundraising Committee is going to have a fundraiser at the Alpine Club at 175 Putnam Street. Anybody who wants to buy tickets can stop in and see Claire at the West Side Center. Tickets are \$10. They are going to have a buffet and raffle on Thursday, October 30.

Mayor Baines stated before we move on I want to commend Atty. Nixon who is doing an absolutely commendable job with that effort and we all owe him a great deal of debt when he is through.

Alderman DeVries stated I feel that it is very important that the Aldermen go on record before the November 4th election and I have a Resolution that I would like to put forward here. This is going to be addressing the proposed Charter amendment that will be on the ballot on November 4th. The Resolution will read:

“Resolved that the Board of Mayor and Aldermen of the City of Manchester oppose the proposed City Charter developed by the 2003 Charter Commission as not being in the best interest of the citizens of Manchester or good representative government of all of the people of Manchester, and

Be it further resolved that the Board of Mayor and Aldermen recommend that the citizens reject the proposed City Charter and vote no on November 4, 2003.”

Alderman DeVries moved to adopt the Resolution. Alderman Forest duly seconded the motion.

Alderman Garrity stated I don’t think it is this Board’s position to take a yes or no position on the Charter. I mean the Charter affects us directly. It is our constitution. I don’t think that it is appropriate that this Board take a stand on whether to vote it up or down.

Alderman Lopez stated I think it is our responsibility. We are elected officials and there are a lot of people out there who are asking us different questions and we are well versed on the Charter. There are a lot of misconceptions out there about the Charter. I surely am going to vote no and ask everyone to vote no on the City Charter.

Alderman Gatsas asked is this some recommendation...is this the recommendation that the Mayor feels this Board should be taking a position on.

Mayor Baines replied again this is a resolution that is being offered and presented by Aldermen, which Aldermen are inclined to do from time to time. They certainly have the right to do that. My position on the Charter is very well known and I can state that all by myself. Now it is up to the Aldermen whether they want to be on record. I am clearly on record as opposed to the Charter.

Alderman Shea stated there are certain provisions in the proposed Charter that I testified right over there and was questioned about but looking at the overall Charter as it has been proposed, I am voting no absolutely. It doesn’t have any meaning in my judgement in terms of effecting any substantial change in City government and in my way of thinking each Alderman should publicly declare whether they are opposed to it or whether they say yes or no. I would like a roll call.

Alderman Guinta stated I have a question. I just want to be clear. We are voting on whether to put our collective support or opposition of the Charter on the ballot?

Mayor Baines answered no. It is just a resolution. We have adopted resolutions for legislation and other items before.

Alderman Guinta stated I am not clear. Can someone make it clear as to what we are voting on again?

Mayor Baines responded to urge the voters of Manchester to vote no.

Alderman Guinta asked to urge the voters.

Mayor Baines answered right. It would be reported. Katie McQuaid will have an actual headline in the paper tomorrow about how the Aldermen voted.

Alderman Gatsas asked if the vote is 8-5...

Mayor Baines interjected it still passes.

Alderman Gatsas stated but that certainly doesn't put this Board in a position where we should be taking a vote that somebody who is voting against this or in favor of it should be a resolution that passes.

Mayor Baines responded well the Charter Commission voted 5-4 on everything and I don't think that was very good either.

Alderman Gatsas stated they were elected officials.

Mayor Baines responded as we are. We are stewards of the government. We have a right to take a position.

Alderman Gatsas stated I agree with you 1,000% but I think the stewardship could have started a couple of hours ago.

Mayor Baines responded I think the stewardship has been pretty consistent.

Alderman Guinta stated if this Board feels that Aldermen should take a public position on the Charter then would it not make more sense to provide our position to media outlets and request that those media outlets...my point is we go through a Democratic process. We had Charter Commissioners elected. 75 people in this City ran and now the 14 of us are going to determine or tell everybody as a Board what we feel? Why don't we do it individually? If you feel so strongly that you want to make your position known, issue a press release but I don't think you should use your position, your elected position to tell other people how you think they should vote. I think people in this City should be afforded the opportunity to

make their own decisions and if you as an Alderman feel it is necessary to explain to your constituency or to the entire City how you feel, issue a press release but it is not right for us as a Board to say the City of Manchester vote or don't vote. It doesn't make sense. Why don't we let the people decide what they want to do and how they want to vote? Your Honor, do you feel that we should issue this collective statement as a Board? Take a position on the issue. You said you were opposed to the Charter. You have said it publicly. Do you think we should go to the next step...

Mayor Baines interjected that is up to the Aldermen.

Alderman Guinta responded well let's ask for your guidance. What do you think we should do?

Mayor Baines replied I have no problem with the Aldermen expressing, through Resolution, how they feel about any issue that is impacting government. I think you have a very astute understanding of the way government works or sometimes doesn't work and you have every right under the rules of this Board to make your opinions known. I have no problem with that.

Alderman Guinta asked why should we do that as a collective group as opposed to individual Aldermen.

Mayor Baines answered you will only do it if you vote to do it.

Alderman Guinta responded as you said the headline that the reporter...

Mayor Baines interjected I was just kidding. This will be a footnote someplace at the bottom of a story.

Alderman Shea stated we are getting into a Socratic discussion here because the Alderman has the prerogative to abstain from voting.

Alderman Guinta responded and that is exactly what I am going to do.

Alderman Shea stated the second point, your Honor, in discussing whether we should vote a certain way or not vote a certain way is telling us how we should vote, namely don't vote. Basically what he is saying in essence is that we should vote individually. We have as much right as a Board individually to express our opinion. I am not saying how anyone should vote. I am saying that I personally am opposed to the Charter. If 1,000 people in Ward 7 want to follow me, that is up to them. If 1,000 people in Ward 2 want to follow Alderman Gatsas that is up to them. Each of us have an individual responsibility when something

comes up to express our opinion and I am not hesitant about expressing my opinion for a particular issue. I would like to move the question.

Alderman Guinta responded I agree with that but I think we should express our opinions on our own time. That is what I think.

Mayor Baines called for a roll call vote.

A roll call vote was taken. Aldermen Shea, DeVries, Smith, Thibault, Forest, Sysyn, Osborne, O'Neil, and Lopez voted yea. Aldermen Garrity, Gatsas, Guinta and Pinard abstained. Alderman Wihby was absent. The motion carried.

Alderman Smith stated I'd just like to ask the staff if they would be here at every meeting. I was going to ask a person some questions representing a department and they're not here tonight and I'm a little bit upset about it. We've asked for the department heads to be present and they're not here tonight and I had a simple question I wanted an answer to and I can't get the answer because they're not here.

Mayor Baines stated it was my understanding, and again there's been debate on the Board, if you want every department head here at every meeting, even when there isn't any item on the agenda, the Board has generally said that they didn't want that. That's a dilemma. If you have questions you could also ask...then you could request that that specific department head be here if there is an item on the agenda too.

Alderman Smith stated I just want to follow up because we've had a problem with staff getting the information and I wanted some information tonight because I understand there's going to be a committee meeting on Tuesday and that means I have to go up to that department to find out the answer or hopefully I can get in touch with him by telephone. They should be here. That's part of their job to represent their department in public and being here at the meeting.

Alderman Gatsas asked can you give us some insight regards to the million dollars the City was supposed to receive as a custodian of the baseball funds?

Mayor Baines answered that's been deposited.

Mr. Sherman stated yes, the City has received the million dollars.

Alderman Gatsas asked when did we receive it?

Mr. Sherman answered early last week.

Alderman Gatsas asked and the \$500,000 that was going to be deposited for Singer Park, are we in receipt of that?

Mr. Sherman answered no I don't think that's been resolved yet on how the new Singer Park was going to be handled. I thought that was still sitting in CIP Committee.

Mayor Baines stated it is my understanding until the CIP Committee makes a decision on terms of how that is going to be handled, at that time we will go back and make the obligation whole.

Alderman Gatsas stated, Your Honor, Derryfield Park is right now a very utilized park with the playground that's there. Parks & Rec did a great job and so did Highway. The understanding that I remember from some three years ago, when you and I were both freshmen, was that we were applying for a loan from the federal government to receive \$600,000 and that loan didn't come through. The understanding is that we would put up \$175,000 for Derryfield Park, which was done and we completed the playground equipment, with the understanding that in the following biennium, which is now, or the next budget cycle, which is now, that that next \$250,000 would be appropriated for Derryfield Park to complete that project. In the midst of that, Singer Park was being transferred and that was supposed to be transferred to Derryfield Park.

Mayor Baines stated that was one of the sites that was going to be looked at and I don't believe the CIP Committee has made any final determination about that.

Alderman O'Neil stated that's correct. Derryfield was a...Alderman Gatsas had made a very strong recommendation for Derryfield Park...

Alderman Gatsas stated the Mayor did.

Alderman O'Neil stated that's my memory. The Parks Department was asked to look at other possible sites and to date, whatever that's been, six months or whatever, we've yet to hear a report from Parks on that.

Mayor Baines stated but I would like to have the process expedited so that we can deal with that during the budget process.

Alderman Gatsas stated, Your Honor, in all fairness, that issue my colleague Alderman O'Neil had agreed, we didn't fund it in CIP in this budget process because the funds from Singer Park were supposed to go there to take care of that.

Alderman O'Neil stated we discussed Derryfield Park, there was never a vote by the CIP Committee to commit those funds to Derryfield Park.

Mayor Baines stated and the other thing is we're not going to solve this issue tonight. If that issue could be taken up with the CIP Committee and get the information, we can flush out this issue.

Alderman Garrity stated on the previous vote for the Charter. Rather than no, I'd like to abstain.

Mayor Baines asked you want to be recorded as abstaining?

Alderman Garrity answered yes.

Alderman Shea stated just by way of...some of us are walking the wards and some of the time people ask us what's the tax rate and so forth. Randy I know you haven't set a definite tax rate amount, but are we talking about four percent, three and a half, two and a half, five percent, just a ballpark figure so when all of us are walking around and a person says, you know my taxes are going up five percent, eight percent, twelve percent. What can we tell them?

Mayor Baines responded let me just answer because part of the process too is that the Finance Officer must begin to look at all of the revenues, verify all of the revenues again. Look at all of the revenues, there was one issue that's outstanding, the Wellington Road was part of the budget process and the Finance Officer at this time has not verified those numbers. We're also looking for final numbers related to the tax base and that would be shortly, so unfortunately we will not be able to answer that question. We think it's going to be...will speculate lower than was projected if all of the revenues...

Alderman Shea asked what was projected Your Honor?

Mayor Baines answered the projection was around four percent and if all indicators move in the direction they appear to be moving in this time, since that budget was adopted, we also get state assistance from education, which is reducing that number as well.

Alderman O'Neil stated just to follow up a little bit and not to beat this because we talk about it all too often, the point that Alderman Smith brought up. Again, we need departments here to answer questions. I don't know if it's going to come down to that the Board will pass some rule. If they're not here, we put it on the table and it sits for two weeks or four weeks. I can tell you, the tone from my colleagues around the table here is, they're starting to get fed up with it. There was a communication issued by me on behalf of the Board last week trying to ask for departments to improve communications. One of the issues that was pointed out had to do with the loam. Aldermen had to go searching for the locations of where that loam was moved. You would have thought that communication would have prompted some

correspondence with the Board of Aldermen and that never happened. We need the departments. I'll gladly appear, Your Honor, at the next department head meeting on behalf of my colleagues to talk about these issues, but I can tell you the sense from many of my colleagues here, they're starting to lose patience on these issues.

Mayor Baines stated Alderman, if it is the will of the Board that you want department heads at every meeting for as long as they go, we can direct that to happen, but that is...

Alderman O'Neil interjected Your Honor it doesn't necessarily have to be a department head, a representative from a department...

Mayor Baines asked at every single meeting?

Alderman O'Neil stated, Your Honor, questions came up tonight. I heard somebody ask for a certain department, and that department was not here to answer a questions. I can't predict what questions are going to be brought up. If there is an agenda item, absolutely, positively. But that needs to improve. We've talked about it a number of times over the past year and it hasn't improved, and again the item with regards to corresponding. If an activity is taking part in a ward, the Alderman from that ward should know about it because they get hit with the questions. I'll work with you on this, but we've talked and talked about it.

Mayor Baines stated by the Aldermen have never...every time we've had this discussion, have never indicated that they wanted every department head or representative from a department at every meeting. That would be a big change and I think you need to examine, is that a good use of a department head.

Alderman O'Neil stated I did a quick count. There's thirteen or fourteen departments represented here currently, there were a few more here earlier that left. Obviously some get it and some don't. I can't help that, Your Honor.

Alderman Thibault stated I think they look at the agenda, if they're on the agenda they definitely should be here.

Mayor Baines stated and I would ask the Aldermen if there isn't an item on the agenda, if there's a department head you wish to have at the meeting, you could make that request and make sure the department head is there.

Alderman Lopez stated I'm going to echo your word, because I think what transpires here, and maybe some people because they're working or whatever the case may be, but you know I think that all of us are in communication. If you can't get the department heads you sure can get to the City Clerk and say look we'd like to have that department head, even though there's...and she'll take care of it or Leo will take care of it, and if you're out of town, just

call them. To have everybody sit here for four or five hours and nothing is on the agenda and hoping who is going to ask the question. All of us are adults where we can call and use the telephone to get the department here.

Alderman Smith stated maybe what we should do is...when a department requests something they are always here, so deny them the request if they are not present and that will settle the situation. The thing that I'm getting very serious about is about baseball. We're probably having a committee meeting Tuesday from what I understand. I wanted some answers today and I can't get them.

There being no further business to come before the Board, on a motion of Alderman Pinard, duly seconded by Alderman Thibault, it was voted to adjourn.

A True Record. Attest.

City Clerk